

# Technical Report

( SEX DISCRIMINATION IN THE URBAN  
LABOUR MARKETS : SOME PROPOSITIONS  
BASED ON INDIAN EVIDENCE /

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## SEX DISCRIMINATION IN THE URBAN LABOUR MARKETS :

### SOME PROPOSITIONS BASED ON INDIAN EVIDENCE

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#### Urbanisation and Women

Urbanisation, a natural corollary of development, brings about an increase in production per worker and levels of incomes in general, and a shift from subsistence and pre-capitalist production to a commercialised, surplus producing mode of production. The effects of these changes are, however, not felt uniformly by the different groups of population and workforce. The opportunities that are thrown open by urbanisation are shared rather unequally by the urban-born and by the better educated and trained on the one hand, and by rural migrants, illiterate and unskilled, on the other. One of the most important inequities that it generates in less developed countries is between male and female members of population and workforce. The first impact that it produces is in the sex ratio itself, the number of females relative to males declines with urbanisation, as male migrants swell the ranks of urban population leaving behind females of their families in the villages. Next, the participation of women in economic activity declines, as the urban labour market discriminates against women much more than the rural labour market in providing opportunities to work. Finally, whatever limited opportunities are available for women, they are mostly in the low earning, low status jobs in the unorganised sector without much of a chance to enter the better paid and high status jobs in the organised sector.

These demographic and economic consequences of urbanisation for women in general, and women workers in particular, have not been adequately studied to enable us to come to any definite conclusions for analytical and policy purposes. The present paper deals with the question of women workers in the urban labour market in developing countries, using

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This paper is based on the author's discussion note presented at the ILO Workshop on Studies on Role of Women and Demographic Change held in Geneva during 16 - 18 November 1978.

some evidence that is available from studies on some urban centres in India.\* Attention has been focussed particularly on the women workers in the urban informal sector. The paper is of an exploratory character and raises more questions than it answers. Its main objective is to highlight the type of questions that need to be examined in research on women workers in an urban labour market in less developed countries.

### Urban Labour Market Segmentation and Women Workers

In order that the condition of women workers in an urban situation is studied meaningfully with a view to identifying the magnitude and manner of sex discrimination in the matters of employment opportunities and earnings, a number of variables other than sex, need to be controlled, as it is an established fact that sex based discrimination, most of the time, also entails discrimination based on social classes, domicile status, etc. It is not easy to decompose the effect of these multiple sources of discrimination, the only possible way to deal with the problem is to consider groups of population with somewhat homogeneous attributes separately. The formal-informal sector dichotomy has been adopted here as a frame of reference, not because the distinction has any great scientific or analytical basis, but only because, defined in a particular way which broadly distinguishes between regularity and irregularity, and security and insecurity of employment and presents a sharp cleavage in levels of earnings, it serves well to highlight certain important features of women's employment. It is well recognised that the dichotomous frame is not adequate for most of the analytical purposes of studying the structure of urban economies, and even in the 'informal sector', differences among different modes of work, regular wage labour in small organisations, wage labour on a casual basis, and self-employment, are glaring enough to suggest a multitude of situations implying probably a continuum of modes and organisations of production all along the line through the entire urban economy.

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\* The evidence cited in this paper is derived mainly from the author's studies on labour markets in Bombay and Ahmedabad. The studies were based on sample surveys and women workers included in the sample for informal sector number around 400 : 200 in each centre. For use in the present paper the two samples have been combined.

The variety of production organisations provides a major source of segmentation in the labour market, by making 'entry' more, or less difficult, through different degrees of standardisation of hiring norms and formalisation of hiring procedures. Classification of activities on this basis seems particularly useful for studying women workers' issues, as it is observed that women find it difficult to break the norms and procedures barrier, to enter the more structured organisations, which provide jobs with higher earnings and status. Their failure to enter this segment of the urban labour market is clearly a result of discrimination by employers, the reasons for which are not yet well studied. The fact that certain highly structured and socially conscious organisations like public services do have a significant proportion of women among their workforce, suggests that discrimination may be a result of prejudice rather than a result of sustainable economic reasons. Pre-entry discrimination is found to be most rampant in the organisations of the middle category : small enterprises using hired labour but operating in relatively unstructured and unregulated manner. The highly organised sector does allow women to enter, even if in small proportion, in their employ, and the unorganised sector, of course, has no bars on entry and therefore, a sizeable proportion of women workers resort to work in this sector.<sup>1/</sup> Post-entry discrimination in terms of placement of women workers is practiced even by the organised sector, rationalised on the basis of occupational suitability, although discrimination in terms of earnings in the same occupations is difficult to practice in organisations in this sector. Wage discrimination by sex is likely to be of a substantially high order in the semi-organised and unorganised sectors.

### Women Workers in Urban Informal Sector

The formal-informal sector dichotomy provides albeit discrimination based on sex among the organisations with varied degrees of structure and formalisation of procedures. Even

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1 In India 94 per cent of the women workers work in the unorganised sector (of which, of course, 80 per cent are in agriculture). Status of Women in India : A Synopsis of the Report of the National Committee on Status of Women, ICSSR, New Delhi, 1975, p.63. Of the total women workers in Ahmedabad city 72 per cent were in the organised and only 28 per cent in the unorganised sector according to an estimate prepared by K.R. Picholiya of IIM, Ahmedabad in connection with his study of Urban Poverty in Ahmedabad.

the informal sector labour market which in the definition we have adopted includes employees of small establishments, casual workers, and independent workers, reveals significant variations in the employment pattern, working conditions and wages of women workers. For example, among the casual workers (i.e. wage earners not regularly attached to any employer or establishment, but looking for work on a day to day basis), women constitute around 15 per cent, but they form only six per cent of the regular workforce of the small establishments (those employing less than 10 workers in any activity) and four per cent among the independent workers (own-account workers operating with negligible amount of capital, whose earnings could mostly be considered as 'wages'). Although in all the three categories the women workers found work for practically all days in a month, the casual workers on an average earned around Rs.105 per month, establishment workers earned Rs.217 per month and independent workers around Rs.250 per month. The relative differences among the three categories are similar in case of the men and women workers. What is significant to note is that sub-sectors where women find it relatively easy to enter carry low earnings in general. This applies not only to the distinction between the formal sector (which has around six per cent of its workers as women in the cities we have studied) and informal sector (with 10 per cent of its workers as women), but also, between the various segments of the informal sector itself.

[ Let us now turn to some other features of women workers which distinguish them from male workers in the formal and informal sectors. First, in the formal sector, a woman worker is on an average 30 years old, as compared to her male counterpart at 36 years. In the informal sector the female worker is 34 years old on an average while the average male worker is aged 32 years. Women have a higher average age than male workers in casual and independent categories, but women workers in small establishments are much younger than their male counterparts and also than the female workers in other segments of the informal sector. Considering the fact that employment in establishments is somewhat akin to that in the formal sector, it is evident that women who work in the informal sector are significantly older than those in the formal sector, and also older than the male workers in the informal sector. The implications that suggest themselves and need to be investigated are : one, the female workers enter the



informal sector after having been out of the labour force for quite some years, and take up employment only after an increase in family size and other factors drive the family to economic distress. Two, the women who enter the informal sector stay there for long or throughout their working life, without moving up the formal sector; while among men who enter this sector some do get a chance to graduate to the formal sector.<sup>2/</sup> Besides, of course the formal sector jobs are available mostly to the educated, and education amongst women being a relatively recent phenomenon, most of the educated women are in the younger age groups, and so the formal sector women workers tend to be younger.

Still another implication that suggests itself is that the women workers in the urban informal sector are mostly migrants, and might have already been engaged in economic activity at the place of their origin for some years, before migrating to the city. True, that almost one-half of the women workers in the casual and independent category (as compared to only 25% of women workers in the formal sector) are migrants, but the age at which they migrated was around 17 years which is not very late after entering the working age, and is only slightly lower than the average age at migration of a male worker at 19. The hypotheses that they entered the labour market late and under distress is also supported from the fact that only around 15 per cent of the women workers now working in the informal sector migrated with a view to finding employment (of those migrants working in establishments, however, 56 per cent came to the city with this motive), around two-thirds came to the city 'to join family' and rest for education or on transfer of parents/husbands. As many as 75 per cent of the migrant women working in the casual and independent category of informal sector workers were married at the time of migration, as against only one-third of their male counterparts, and almost all women workers migrated along with the group of family members. All this goes to suggest that the women workers in the informal sector started working late in the life, they did not find it necessary to begin with. No doubt most of

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- 2 Occupational and inter-employer mobility so as to enable workers to move into better paid and more stable jobs in the organised sector is found to be more limited in case of women than men belonging to the same occupation and background : A Study of scavenger women in Delhi revealed that while the men of their families have moved up to better jobs out of traditional scavenging occupation, women have generally remained in scavenging. Malavika Karlekar : 'Balmiki women in Development Process', paper presented at the X International Congress of Anthropological and Ethnological Science, New Delhi, December 1978.

the migrant women reported 'working' status before migration, even though tender-aged, but they seem to have gone out of the labour force for a few years after migration.

One of the common reasons given for the temporary withdrawal of women from the labour force in ages between 25-35 years, is that it is during this age most of them have children, and are in a position to take up jobs out of homes only after the children grow to a certain age. Data for women members of the families of workers in the informal sector does suggest a slight fall in participation rate, in the age group 25-30 years. In fact, the participation rates among women in the working age groups in the families of the informal sector workers in urban areas are found to be generally high at around 35 per cent as compared to around 10 per cent for the entire population. Further, the participation rate is more or less similar in the different age groups. In the age groups 15-20 and 20-25, 37 per cent women report working or unemployed, in the age group 25-30 proportion of such women is 35 per cent, in age groups 30-40 and 40-50, 37 per cent, and in the age groups 50-60 years, 26 per cent. The hypotheses of child-bearing and rearing needs explaining decline in participation of women in the concerned age groups implies that the women have a choice to work or not to work away from homes. In the case of women in the families of informal sector workers, such a choice does not seem to offer itself much. The need to supplement family incomes particularly with increases in family sizes seem to compel them to work out of their homes; care of young children howsoever important it may be in general, seems to have a lower priority than the need to work to supplement family incomes in many cases. We find that among married women in the informal sector casual workers' families, those with no children participate in the economic activity to the extent of 30 per cent, while those with one or two children below the age of five years as many as 70 per cent are working or report unemployed. That economic necessity is a more compelling reason than anything else is also evident from the fact that in the families with very low incomes women are found to work out of homes more often than in the families with relatively higher incomes. Among the casual workers' families with very low income (less than Rs.100 per month) over 60 per cent of women members are found working while in families with Rs.100 to Rs.200 and Rs.200 to Rs.300 income per month the proportions of women working out of home are as low as 8 and 1 per cent respectively.



## Sex Discrimination in Urban Informal Sector

Although the women members of the families of workers of informal sector are found to participate in economic activity to a significantly large extent, this does not seem to improve their economic status vis a vis men either in the household<sup>3/</sup> or in the labour market. Around 75 per cent of the families have one or more of their women members as workers, but women are principal earners in the family only in 15 per cent cases. And this is not because women work for any shorter period than men, in fact both of them work for about 25 days in a month, but because even after working as long as men they earn much less than men. A male casual worker on an average earns Rs.200 per month but a female casual worker earns only Rs.105. A male independent worker earns around Rs.392 per month while a female independent worker earns Rs.250. In small establishments, a male employee earns Rs.240 and female employee Rs.217.

The degree of discrimination, measured as ratio of male to female wage is thus highly significant in the informal sector of the urban labour market. Let us now see how far this discrimination is due to restriction on entry to certain types of occupations which carry better wages and how much is due to post-entry discrimination in the form of payment of different wages to male and female workers. In the urban informal sector, the wages are found to be the highest in manufacturing activities, followed by selling, vending and hawking of goods, construction work, and transport, and the lowest in the personal services, laundering, sanitary services and domestic work. The women workers are distributed among these various activities more or less exactly in the reverse order of earnings. The largest chunk (around one-fourth) of them is to be found in domestic work, another 15 per cent in sanitary services, 12 per cent in construction, 8 per cent in hawking and peddling of goods, 7 per cent in transport, and 10 per cent in other occupations.<sup>4/</sup> Around 15 per cent of women workers are found in manufacturing activities, but most of the time they perform peripheral work such as packing and labelling, rather than the central pro-

- 3 That a working class woman's economic independence or status in the family does not improve by virtue of being employed and earner, is well brought out in Malavika Karlekar's study of Balmiki women in Delhi, cited earlier.
- 4 In Delhi while a quarter of the scavengers were women, there was likely to be one woman among thirty men in trade and commerce and manufacturing. Malavika Karlekar, op. cit.

cessing work which carries relatively higher earnings. On the other hand, the high wage occupations such as skilled jobs in manufacturing and construction are mainly occupied by men. Therefore a large part of the earnings disadvantages of women workers in the informal sector is a result of discrimination in entry into various occupations.

The extent of wage discrimination on the same job is, however, much more glaring. Figures relating to the average monthly earnings of the male and female casual workers in some selected occupations as given below would make it clear.

Occupation	Average monthly earnings of casual workers (Rupees)	
	Male	Female
Sales Assistant	197.25	75.00
Hawkers, Peddlers and Street vendors	194.75	102.25
Tailors, Dress Makers and Garment makers	246.00	101.75
Tool Makers, Machinists, Welders and Metal Engravers	201.25	90.25
Brick-layers, Plasters and other construction workers	135.00	93.25
Checkers, Testers, sorters and related workers	177.25	165.50
Compositors, Printers, Engravers, Book Binders and related workers	160.00	135.00
Weavers	166.25	79.50
Cleaners, Sweepers and Watermen	150.00	160.24
Cooks, and domestic servants	125.00	40.00

It may, however, be noted that the women workers who work independently as self-employed rather than wage earners, have monthly earnings quite comparable or sometimes even higher than, the earnings of their male counterparts in quite a few occupations as can be seen from the following figures of earnings in activities in which most of the independent women workers are found.

Activity	Average Monthly earnings of Independent Workers (Rupees)	
	Male	Female
Hawking, Peddling and Street vending	369.16	316.64
Spinning, Weaving, Knitting, Dyeing etc.	230.00	500.00
Shoe-making and Shoe repairing	271.06	270.00
Pottery and other clay formations	482.50	300.00
Laundrying and Washing of clothes	350.00	383.33
Basket weaving	350.00	370.00

The different pattern of male-female earnings in the two categories of workers suggests that the discrimination against women in the payment of wages has no real economic basis. While working independently, women workers' earnings are quite comparable to male workers, but once they work for others as wage earners, their wages are significantly lower than the male workers. The discrimination is thus the result of a system of production based on wage labour. It does not necessarily seem inherent in differences in productivity and performance between men and women, but is practised by the employers, taking advantage of certain unfavourable characteristics of supply of labour by women.

What are these unfavourable characteristics that make discrimination against women possible? The employers, who are interested in minimising costs would not hesitate to pay low wages to their workers, as a whole or to as many of them as they can. Therefore, whether and to what extent a group of workers are discriminated against would depend on the power that they can wield with the employers. Generally, their power is expected to be directly proportional to the extent to which they are organised. In the informal sector, workers — male or female — are generally unorganised and that may be one of the reasons as to why they get lower wages than those working in the formal sector. But lack of organisation implies a common disadvantage and does not explain special discrimination against women in the informal sector.

The source of wage discrimination against women is, therefore, to be sought in the nature of supply and demand of labour. The labour market as a whole is found discriminating against women in terms of availability of job opportunities. The occupations and organisations in which women could find work are limited as compared to openings for men. The relative lack of demand for women labour seems a result primarily of socio-historical reasons, rather than differences in the real economic value of the contribution of men and women labour. In a situation of relative lack of job opportunities in general, the tradition and values relating to the two sexes lead to a 'men-first' ordering in securing employment out of homes. Further, mobility of women workers in general is limited, which restricts the job opportunities for them. Among the informal sector women workers in the cities studied by us, only 27 per cent expressed their willingness to move out to other places for work, while among male workers the percentage was as high as 80. In some cases, women are available for work but only at their homes : either they undertake work which could be given to them at their residences, or then they do not engage in economic activity at all. In other words, the opportunity cost of their time is zero, and the employers take advantage of this situation and pay to them incredibly low wages. In a survey of specialised embroidery work in one of the North Indian towns, the daily earnings (for about 4 hours work) of women artisans were found to be Re.1.00; but they did not seem to be much agitated over this situation probably because these women belonging to a community observing severe restrictions on women's movement out of homes, and no other work opportunity, were willing to work at such low wages, which in any case, would mean some supplement to the meagre household incomes.<sup>5/</sup> The fact that in most of the cases, women workers are secondary earners, and are not considered bread winners of the family seems to create conditions for them to settle for much lower wages than men. This phenomenon is a result both of social attitudes towards role of women and of discrimination of women in the matter of availability of work opportunities.

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5. V.B. Singh, P.D. Shrimali and R.S. Mathur, Survey of Urban Handicrafts in Uttar Pradesh, (Chikan Work at Lucknow), Giri Institute of Development Studies, Lucknow, 1976 (TS).



### Conclusion : Towards a Framework for Study

The disadvantaged position of women in the labour market is thus a result of certain deep rooted social and economic factors operating both on the supply and demand of women workers. A set of social, historical, biological and sometimes, religious presumptions have on the one hand, led to restrictions on the supply of female labour in the market, and on the other, acted as justification for discrimination against women in allocation of job opportunities and fixation of wages. Social attitudes determined on this basis are being increasingly questioned and strong arguments are being made for changes in them in order to ensure equality among sexes. Our task in this paper has, however, been much more limited : to look at the pattern of employment and earnings in a segment of the labour market with a view to locating the extent and sources of discrimination against women. From the view-point of labour market analysis, the question as to why a large proportion of women are not in the workforce is relevant in as much as supply itself is a function of demand. For, many a time the issue of women's employment is brushed aside lightly with the remark that they are not available for work. The crucial task of labour market analysis consists in analysing the nature of supply, demand, labour marketing practices and allocation of different kinds of labour to different activities and jobs, and wage determination and wage discrimination. Studies covering these aspects with explicit focus on sex differentials are far too few to provide an explanatory framework for discrimination in the labour market.

Discrimination against women practised in the labour market is to a certain extent akin to the discrimination practised by a social system against those not endowed with the ownership of means of production. But all sex discrimination is not class based. Women of a class or socio-economic group are also discriminated against the men of the same class. No doubt women working in low status low earning jobs in the informal sector belong to the families whose menfolk also work in similar jobs, primarily because they are not endowed with material resources that provide accessibility to the high status better paid jobs. But a woman is more likely to find work only in these activities and sectors than a man is; and even in the same activity and sector women get paid less than men. This phenomenon warrants a modification in the procedure of analysis based on socio-economic classes to take account of sex disadvantages of women specifically.



The neo-classical analysis of the labour market, on the other hand, too provides little clue to the phenomenon of sex discrimination in the labour markets. Demand for female labour is low neither because of high wages nor basically because of low productivity. Supply of female labour is relatively lower than that of male labour not again because of low wages as such nor because of high opportunity cost of working out of homes. (The overall lack of employment opportunities combined with the social attitudes towards the role of women in productive work has depressed both the demand and supply of labour, and the belief that their work and earnings are only of a supplementary nature has kept their earnings low.) There is a viewpoint that expansion in job opportunities in general would lead to larger demand for female labour which would induce larger supply and also lead to greater integration of the labour markets for men and women. It may be worthwhile to examine this proposition on historical and cross-section basis.

But, even if the above proposition holds, women may continue to be the marginal workers and **discriminated against** in a situation where such rapid expansion of job opportunities as will provide work to all men and women available for work, is nowhere in sight. The **issues** of women's role, participation and sex discrimination assume much greater significance in these situations.

One set of questions relates to the low level of participation by women in economic activities : what really are the constraints on women's participation as much as men's in these activities : social inhibitions and attitudes, or lack of work opportunities? How do these constraints vary among social classes and income groups? The other set of questions relate to the functioning of the labour market in relation to the women workers : why is it that women workers get relegated to the peripheral jobs? How is it possible to have lower wages and unfavourable conditions of work for women than for men even in the same occupations? How does the degree of discrimination vary among various modes and organisations of production? Even if factors like education, training, other criterial for suitability, socio-economic background, lack of organisation, low opportunity cost etc., are found to provide the bases for sex discrimination in employment and earnings, the issue

needs further probe in terms of an examination of the factors resulting into the disadvantage of women in attaining those attributes which are considered essential for a better job and higher earnings. A study of discrimination in the labour market would, therefore, need to be integrated with an analysis of the societal context reflected in class and power structures and social attitudes.

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3135